

Corporate Law Section
Law Department



May 11, 2006



Re: Private Express Statutes Advisory Opinion 06-01

Dear [REDACTED]:

This responds to your letter of April 4, 2006, in which you requested an opinion on whether your proposal to move mail and interoffice letters of a private company is consistent with with the Private Express Statutes (PES) (39 U.S.C. §§ 601 *et seq*) and their implementing regulations (39 C.F.R. Parts 310 and 320). I also refer to our several phone conversations since then.

Factual Background

You indicated that the company, with which you will contract, has facilities in three different cities (E, F, & G). There are three sites or campuses in City E. You refer to them as HQ1, HQ2 and HQ3. You describe HQ1 as a secure, gated facility, which is not open to the public and has no post roads within it or traversing it. The central mailroom for City E is on HQ1. HQ2 and HQ3 are not enclosed sites. Post roads run through them. The company picks up its mail at the Post Office in City E. The company has a unique ZIP Code for all its mail addressed to its facilities in City E.

City F consists of two sites (F1 & F2). These sites are contiguous, connected by a private pathway, and contain no post routes. The central mailroom for City F is on F1. The company picks up its mail at the Post Office in City F. The company has a post office box to which all its mail to City F is addressed.

City G consists of three sites (G1, G2, & G3). These sites are not contiguous and are separated by post routes. The central mailroom for City G is on G1. The company picks up its mail at the Post Office in City G. The company has a post office box to which all its mail to City G is addressed. Currently, regular company employees handle and transport all mail and interoffice letters. [REDACTED] proposes to

take over handling and transporting some of the mail and interoffice letters of the company.

It seems clear from your correspondence, that you are familiar with the PES and their implementing regulations. We assume, for the purposes of this opinion, as apparently does your request, that [REDACTED] personnel will be carrying letters, as that term is defined in 39 C.F.R. § 310.1(a), for the company. We also assume that you understand the meaning of post roads, private carriage, and private carrier as those terms are defined in 39 C.F.R. § 310.1(d) and (e).

We have enclosed a copy of your incoming correspondence, which contains a detailed description of the proposed arrangement.

Private Carriage of Mail

We believe that you correctly conclude that mail addressed to the company being transported from the Post Offices in each of the three cities to the respective central mailroom in each city may be carried by [REDACTED] personnel under the exception at 39 C.F.R. § 310.3(e), entitled, *Carriage prior or subsequent to mailing*. Similarly, mail destined to enter the mail stream at a Post Office or other collection point (such as a collection box) may also be carried by [REDACTED] personnel under this same exception. Note that the exceptions to this rule in subsection (e)(1) for carriage of letters from a place where they have been opened and read, or to a place where they will be consolidated, are not applicable here, because of the provisions of subsection (e)(3), which permit such carriage to and from branches of an organization.

Private Carriage of Interoffice Letters

We also believe you correctly conclude that interoffice letters (which you refer to in your letter as intra-company mail; also commonly referred to as interoffice mail), may continue to be carried by company employees (not [REDACTED] personnel) between the central mailrooms of the three cities under the exception at 39 C.F.R. § 310.3(b), entitled, *Letters of the carrier*.

Finally, we believe you also correctly conclude that interoffice letters may be carried by [REDACTED] personnel between company buildings in each city under 39 C.F.R. § 320.6, *Suspension for extremely urgent letters*. However, certain changes to the handling of such letters, as discussed below, must be made to the proposal set forth in your letter in order to meet the conditions of this suspension.

As described in your letter, [REDACTED] proposes to retrieve interoffice letters from each building in a city where the company has a presence and carry them to the central company mailroom serving that city. For example, [REDACTED] will pick up interoffice letters at buildings E50, E51, and E52 on the site within City E known as HQ3. [REDACTED] will take these interoffice letters to the central mailroom on site HQ1, which serves all three sites in City E. In the course of picking up and

transporting interoffice letters from sites HQ2 and HQ3 to the central mailroom on site HQ1, [REDACTED] will travel on post roads. At the central mailroom, [REDACTED] proposes to sort the interoffice messages for further delivery by [REDACTED] employees within city E.

[REDACTED] will then deliver the interoffice letters destined for buildings within the HQ1 site without traveling on any post roads. However, in the course of delivering interoffice letters from the central mailroom to buildings within sites HQ2 and HQ3, [REDACTED] will again travel on post roads. [REDACTED] will make these deliveries at the same time its personnel will be retrieving interoffice letters as described in the paragraph above.) A scheme similar to the one above will be conducted in Cities F and G. However, in City G, [REDACTED] personnel will travel on post routes when transporting interoffice letters from the central mailroom to buildings within site G1. Interoffice messages destined for buildings in City F or G will not be handled further by [REDACTED] in the central mailroom at city E. You assert that regular company employees, within the meaning of the PES, rather than [REDACTED] personnel, will transport these interoffice letters between the mailrooms of cities E, F, and G.

[REDACTED] proposes to meet the conditions of the suspension of the Private Express Statutes for extremely urgent letters by satisfying the conditions of subsections (c) through (e) of 39 C.F.R. § 320.6. Subsection (c) provides, in pertinent part:

It will be conclusively presumed that a letter is extremely urgent and is covered by the suspension if the amount paid for private carriage of the letter is at least three dollars or twice the applicable U.S. postage for First-Class Mail (including priority mail) whichever is greater. If a single shipment consists of a number of letters that are picked up together at a single origin and delivered together to a single destination, the applicable U.S. postage may be computed for purposes of this paragraph as though the shipment constituted a single letter of the weight of the shipment.

This is known as the cost test. In your letter of April 4, you propose to bundle interoffice letters at each building, weigh the bundle being transported from each building to the central mailroom, record the weight of the bundle, and carry the bundles to the central mailroom, as discussed above. At the central mailroom, the bundles will be broken down and the mail bundled again for delivery to specific buildings. Each bundle will be weighed, the weight recorded, and the bundles will be delivered to the respective buildings within the city. On a monthly basis, [REDACTED] will compute the appropriate charge applicable to each bundle handled during the previous month in accordance with the formula in 39 C.F.R. § 320.6(c), above, and bill the company for the total.

We have concluded that this proposal is not consistent with the requirements of 39 C.F.R. § 320.6(c) for two reasons. First, section 320.6(c) contemplates the movement from a single origin to a single destination. The movement of interoffice letters as a bundle from a building to the central mailroom in the same city does not cause those letters to be delivered to their ultimate destination, but rather only to an intermediate point, except with regard to letters destined for another city, as discussed below. To overcome this objection, [REDACTED] could carry

interoffice letters bundled at each building based on the letters' ultimate destination within the city. For example, interoffice letters to be transported from building R09 on site HQ2 to building E50 on site HQ3 should not be bundled and weighed at building R09 for transport to the central mailroom and then rebundled and reweighed for transport to building E50. Rather, letters should be bundled and weighed only once at origin (R09), even though the [REDACTED] employee carrying it may make intermediate stops, including a stop at the central mailroom, on the way to building E50. This proposed operating procedure will probably increase the number of bundles that will be required to be created at each building, but in our view would satisfy the conditions of 39 C.F.R. § 320.6(c), which contemplates a single origin and a single destination.

Compliance could be simplified by placing receptacles in each building and marking them with destination building numbers for each building within that city. In addition to receptacles for each other building in the city, there would be two more receptacles in each building—one for each of the other cities. For the purposes of subsection (c), above, we consider that letters destined for another city reach their destination when being carried by [REDACTED] personnel when they arrive at the central mailroom from outlying buildings in the same city, because control and possession of the letters is restored to company employees. At that point, they will be handled by company employees until they reach the destination city where they are again sorted and bundled by for delivery to individual buildings within the destination city. However, for the reasons that follow, the sorting and bundling of interoffice letters must be performed by company employees, not [REDACTED] personnel.

[REDACTED] cannot sort the letters in order to create the bundles on which the cost test may be based. Sorting must be accomplished by company employees, not [REDACTED] personnel. This is true at origin, which we interpret to mean each building from which letters are sent. This conclusion is based on previous Postal Service advisory opinion AO 86-7 (enclosed), applying 39 C.F.R. § 310.6. In that case, an insurance company proposed to send letters by private carrier to its agents in field offices utilizing the cost test to meet the suspension for urgent letters. That opinion stated:

[F]or the purpose of computing the amount of postage that must be affixed, a number of letters being sent together to more than one agent at a single location may be aggregated only in accordance with Domestic Mail Manual (DMM) section 381.32.

A footnote to that sentence provided the text of the relevant portion of that section, which has since been superseded by DMM 134.1.4, which is substantially the same, except for minor changes in format, for clarity, and otherwise not relevant here. DMM 134.1.4 provides:

More Than One Letter

An individual or organization may mail in one envelope more than one of the mailer's own letters and pay postage at the First-Class Mail rate on the weight of the entire package of letters if:

- a. The letters are for persons at the same residence or working for the same organization at the address on the envelope (if the letters relate to the business of such organization)

Advisory opinion AO 86-7 continues by saying:

This provision [referring to the DMM section] permits the aggregation of letters being sent to more than one individual at a single location only if the letters are consolidated by the sender into a single envelope or package that bears one address. The aggregation provision would not, in our opinion, be applicable for the purpose of computing postage payable under section 310.2(b) [of Title 39, C.F.R.] if the aggregation (or consolidation) were not performed by the sender but, instead, by a private carrier. The permissibility of computing the amount of postage to be affixed on the basis of the consolidated weight of several letters being sent together would depend, therefore, on whether these letters are consolidated by [REDACTED] [the insurance company] or by [REDACTED] [the private carrier].

Consequently, we conclude that [REDACTED] could not engage in consolidating or aggregating interoffice letters into bundles either at each building before its personnel transport such letters to the central mailrooms or in the central mailrooms. This conclusion also applies to sorting and bundling of interoffice letters in the destination cities' central mailrooms. Such sorting must also be accomplished by company employees, not [REDACTED] employees. Thereafter, [REDACTED] employees could weigh the bundles, record the weights, and deliver them to the appropriate buildings within in the destination city.

Finally, we note that sorting letters in the city F mailroom for letters destined for other buildings in city F may be accomplished by company employees or [REDACTED] employees, assuming, as you represent, that those letters will not traverse post routes in being transported from the central mailroom to any of the buildings in city F. We reach this same conclusion with regard to letters destined to buildings within HQ1. However, for practical reasons, since company employees must sort and bundle mail destined for individual buildings in the other situations where [REDACTED] personnel will travel on post roads, it seems to make sense to let company employees perform this sorting and bundling.

If [REDACTED] handles interoffice letters as described above, we submit that the private carriage would be consistent with the Private Express Statutes and Postal Service implementing regulations.

Should you wish to conduct further queries on this matter after May 12, 2006, please contact Anthony Alvemo, Chief Counsel, Customer Programs, at the address on the first page of this letter.

Thank you for your interest.

Sincerely,

A handwritten signature in cursive script that reads "Pat Tyrrell". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

J. Patrick Tyrrell
Attorney
Customer Programs

Enclosures



UNITED STATES POSTAL SERVICE
Law Department
475 L'Enfant Plaza, SW
Washington, DC 20260-1100

May 20, 1986

PES No. 86-7

Dear [REDACTED]:

Your letter to [REDACTED], Customer Service Representative, has been forwarded to this office for an opinion concerning the permissibility under the Private Express Statutes of a proposal made to you by [REDACTED] that involves, among other things, the private carriage of letter mail for your firm. We understand that in addition to offering standard presortation services, [REDACTED] has expanded its operation to include courier services.

The proposal describes a number of different proposed services, some of which do not appear to involve the private carriage of letters outside the mails. In addition, we have been advised by [REDACTED] that [REDACTED] has altered certain aspects of its proposal since we received a copy of it.

Further, you have informed us that the material [REDACTED] proposes to carry is inter-office mail between [REDACTED] regional office and its exclusive agents who are located at 128 different locations within an approximate 100-mile radius in the Bay Area. These agents are full-time career employees of [REDACTED]. In many instances, these agents share office space,

so that it is not uncommon for as many as four or five agents to work at a single location and to receive mail from [REDACTED] at this location.

Our opinion here addresses only those aspects of the proposal attached to your letter of February 19 which appear to contemplate the private carriage of letters entirely outside the United States mails. The relevant portions of the proposal are quoted below.

PROPOSAL:

(A)(2) Multi-Flat/Single Agent/Single Location and Multi-Agent/Single Location mail will be picked up unmetered, sealed and separate; and placed together in a larger envelope addressed to that particular location. [REDACTED] will meter this mail based on the larger envelope (containing several individual flats) weight. [REDACTED] will deliver this consolidated mail, with full USPS presort postage applied to that particular location, open the larger envelope and personally deliver the individual sealed flats inside to the proper agent.

(B) [REDACTED] will bill [REDACTED] for the sum of the individual flats discounted postage rate allowing a full \$.04 presort savings per flat.

* * * *

RESULTS:

* * * *

(C) [REDACTED] receives the benefit of the Postage difference between the sum of several different flats (billed [REDACTED]) and the single consolidated envelope (USPS Postage actually applied).
(Example using Presort Discounted Rates)

* * * *

(D) Post Office receives the benefit of postage paid on mail they don't have to deliver.

The Federal civil and criminal laws collectively known as the Private Express Statutes (39 U.S.C. §§ 601-606; 18 U.S.C. §§ 1693-1699) make it generally unlawful for any person other than the Postal Service in any manner to send or carry a "letter" on a "post route" unless the same

postage is paid that would have been charged if the letter had been sent through the Postal Service.

The Statutes are implemented by Postal Service regulations contained in 39 Code of Federal Regulations, Parts 310 and 320. A copy of the regulations is enclosed for your convenience.

"Post routes" include, but are not limited to, public roads, highways, railroads, water routes, air routes and letter-carrier routes within the territorial boundaries of the United States on which mail is carried by the Postal Service. 39 C.F.R. 310.1(d).

"Letter" is defined in section 310.1(a) as a message--any information or intelligence--directed to a specific person or address and recorded in or on a tangible object. Tangible objects include, but are not limited to, paper, recording disks and magnetic tapes. A number of items are specifically excluded from the definition of letter. These items are listed in section 310.1(a)(7). The excluded items are not subject to the Statutes or implementing regulations.

In addition, there are a number of exceptions (section 310.3) and suspensions (sections 320.2 through 320.7) for particular circumstances under which letters may nevertheless be carried, without payment of postage, by means other than the Postal Service.

Finally, the private carriage of letters that do not qualify for any of the exceptions or suspensions is permitted only if postage is paid in accordance with section 310.2(b).

Our opinion is based upon the assumption that none of the exclusions or exceptions are applicable to your situation. We invite your attention in particular, however, to section 310.1(a)(7)(ii) which excludes from the definition of "letter" financial instruments, such as insurance policies, "when shipped to, from, or between financial institutions." Although we have not been informed of the nature of the material you propose to have [redacted] carry, it is possible that some of the material may come within the terms of this exclusion and thus may not be subject to the Private Express restrictions.

To the extent that the material to be carried is subject to the restrictions, however, [redacted] must either comply with the terms of the suspension for extremely urgent letters, section 320.6, or affix the applicable U.S. postage in accordance with section 310.2(b).

Some, but not all, of [redacted]'s proposed charges to your company appear to meet the cost test of the suspension for extremely urgent letters, section 320.6(c), and, for that reason, may make the payment of postage pursuant to section 310.2(b) unnecessary in some instances.

Section 320.6(c) reads in pertinent part:

It will be conclusively presumed that a letter is extremely urgent and is covered by the suspension if the amount paid for private carriage of the letter is at least three dollars or twice the applicable U.S. postage for First-Class Mail (including priority mail) whichever is the greater. If a single shipment consists of a number of letters that are picked up together at a single origin and delivered together to a single destination, the applicable U.S. postage may be computed for purposes of this paragraph as though the shipment constituted a single letter of the weight of the shipment.

Pursuant to the foregoing section, it is lawful to carry letters outside the mails without payment of postage so long as the carrier charges the shipper at least \$3.00 or twice the applicable postage, whichever is greater, for the carriage.

For the purposes of computing the "applicable U.S. postage" for this cost test, letters being shipped from a single origin to a single destination may be weighed together as though they were one letter. In our opinion, letters being shipped from your office to a number of agents who share office space at a single location would meet the "single destination" requirement, and, therefore, could be weighed together for the purpose of determining "the applicable U.S. postage."

With these considerations in mind, it appears that [redacted]'s proposed charges to your company for carriage of 36-ounce and 48-ounce items would meet the cost test if it can be assumed that the carriage will not exceed the distances covered by Priority Mail zones 1 through 3. The current priority rate for these three zones is \$2.40 for a two-pound item and \$2.74 for a three-pound item, so that, in order to meet the cost test, [redacted] would have to charge for its carriage of such items at least \$4.80 and \$5.48, respectively, for each piece. Assuming that the suspension for extremely urgent letters is fully applicable to each

36-ounce and 48-ounce packet of letters destined for a single location, U.S. postage need not be affixed to these items.

█'s charge to █ for a 24-ounce item (\$4.10), however, does not meet the cost test of the suspension, because it is not at least twice the priority rate of \$2.40. If █ is not prepared to charge █ the full \$4.80 that would be necessary to come within the terms of the suspension, then it must, in the alternative, affix to each item the full amount of U.S. postage that would have been charged on the letter if it had been sent through the Postal Service, in accordance with section 310.2(b)(ii).

We take this opportunity to briefly discuss section 310.2(b), because it would appear that █ has incorrectly calculated the amount of postage that must be affixed in order to come within the terms of that section. Section 310.2(b) provides that the private carriage of letters is lawful so long as, among other requirements, "the amount of postage which would have been charged on the letter if it had been sent through the Postal Service is paid." The section contemplates the payment of the full First-Class (including priority) rate applicable; it does not contemplate a discounted rate, such as the one for presorted pieces that are in fact entered into the mail stream.^{1/} In addition, for the purpose of computing the amount of postage that must be affixed, a number of letters being sent together to more than one agent at a single location may be aggregated only in accordance with Domestic Mail Manual section 381.32.^{2/}

^{1/} The presort rate for First-Class mail is the applicable First-Class rate, less 4¢ per piece for letters. DMM Exhibit 310 (p. 1). This rate is available only when presorted items are turned over to the Postal Service for delivery and all of the other criteria for eligibility to mail at these rates are met. There is, for example, no presort rate available for pieces that weigh in excess of 12 ounces.

^{2/} The relevant portion of DMM 381.32 states: "An individual or organization may mail in one envelope more than one of the mailer's own letters and pay postage at the First-Class rate on the weight of the piece, if (a) the letters are for persons who reside at the same residence or who work for the same organization, located at the address shown on the envelope (provided the letters relate to the business of such organization).

This provision permits the aggregation of letters being sent to more than one individual at a single location only if the letters are consolidated by the sender into a single envelope or package that bears the one address. The aggregation provision would not, in our opinion, be applicable for the purpose of computing postage payable under section 310.2(b) if the aggregation (or consolidation) were performed not by the sender but, instead, by a private carrier. The permissibility of computing the amount of postage to be affixed on the basis of the consolidated weight of several letters being sent together would depend, therefore, on whether these letters are consolidated by [REDACTED] or by [REDACTED].

In summary, [REDACTED]'s proposal would comply with the requirements of the suspension for extremely urgent letters, with respect to those letters that are of a weight for which its fee for courier services meets the cost test set out in section 320.6(c). For those letters on which the cost test is not met, [REDACTED] must affix to each piece the full amount of U.S. postage in compliance with the provisions of section 310.2(b). This amount is to be determined on the basis of the First-Class and priority rate schedules in effect at the time of the carriage and may not take into account any presortation discounts that might otherwise be available if the material were carried by the Postal Service. Further, this postage may not be calculated on the basis of the overall weight of a number of letters, unless those letters are being sent to agents at a single office and are consolidated by the sender.

You may, if you wish, provide a copy of this letter to [REDACTED].

Sincerely,

A large black rectangular redaction box covering the signature area of the letter.

Enclosures (3)

Encl. 1 PES regs

Encl. 2 DMM Exhibit 310, pp. 1&2

Encl. 3 DMM § 381

April 4, 2006

Assistant General Counsel
General Administrative Law Division
United States Postal Service
475 L'Enfant Plaza, SW
Washington, DC 20260

Dear Sir/Madame:

A prospective client of [REDACTED] has facilities in three surrounding cities that are all in the same state. For the purposes of this discussion these cities shall be identified as follows:

1. City "E" (main site of operations)
2. City "G" (with two locations - G(1) and G(2))
3. City "F" (with two locations - F(1) and F(2))

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Currently the company uses regular company employees to distribute both posted, as well as, intra company mail. The company proposes to use [REDACTED], as a private carrier to distribute some of its mail.

CITY E (HQ)

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The company's employees in City E are housed at three separate sites, which shall be identified as HQ(1), HQ(2) and HQ(3).

<u>HQ (1)</u>	<u>The HQ(1) site consists of nine buildings and houses approximately 50% of the company's city E employees. Because of the company's sensitive and secret product development, the HQ(1) site is fenced and only accessible through manned security entrances. There is therefore no unauthorized public access within HQ(1).</u>
<u>HQ (2)</u>	<u>HQ(2) consists of seven buildings (unlike HQ(1), these buildings are not on a contiguous fenced campus) and houses approximately 40% of the company's city E employees.</u>
<u>HQ (3)</u>	<u>HQ(3) consists of two buildings (also unlike HQ(1), these buildings are not on a contiguous fenced campus) and houses the remaining 10% of the company's city E employees.</u>

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The company utilizes a unique zip code and a regular company employee picks up all of the company's incoming posted mail from the local post office and delivers it to a single designated location at HQ(1), hereafter identified as "The HQ Mailroom". The USPS

does not deliver mail directly to any of the locations serviced by the company's internal distribution network.

Posted Mail Within City E Mail Stream

Posted mail addressed to any HQ(1), HQ(2) or HQ(3) site (see Attachment A) is delivered to the respective site unopened, by a regular company employee after its initial delivery to *The HQ Mailroom*.

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Intra Company Mail

Intra company mail from the HQ(2) and HQ(3) sites is picked up and bundled on their respective sites before being taken to *The HQ Mailroom*, where it is sorted then bundled by site locations within City. Intra company mail within HQ(1) is picked up and taken to *The HQ Mailroom* where it is also sorted then bundled by site locations within City. Bundled intra company mail for HQ(2) and HQ(3) is delivered to their respective sites as single bundles. Bundled intra company mail for HQ(1) is delivered to the respective locations on the HQ(1) site. NOTE: Intra company mail originating and delivered within the HQ(1) site, unlike the other sites, **NEVER CROSSES** a Post Route as it is defined in US (39 CFR 310.1(d)).

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Any intra company mail between city "E" and city "G" is picked up by a regular company employee from *The HQ Mailroom* and taken to a single designated location at the G(1) site, hereafter identified as "*City G mailroom*". Similarly, any intra company mail between city "E" and city "F" is picked up by a regular company employee from *The HQ Mailroom* and taken to a single designated location at the F(1) site, hereafter identified as "*City F mailroom*".

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CITY F

The company occupies two main buildings along with a few trailers and out buildings in city F. For the purposes of this discussion the buildings shall be identified as F(1) and F(2). F(1) and F(2) are adjoining and connected by a private pathway. There are only company employees housed in F(1) and F(2). A regular company employee picks up the mail from the local Post Office and delivers all posted company mail for city "F" to the *City F mailroom*.

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Posted Mail Within City F Mail Stream

Posted mail addressed to F(1) or F(2) (see Attachment B) is delivered to the respective site unopened, by a regular company employee, after its initial delivery to the *City F mailroom*.

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Intra Company Mail

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Intra company mail from any city "F" building is picked up and taken to the *City F mailroom* where it is sorted then delivered to their respective building.

Any intra company mail between city "F" and city "G" is picked up by a regular company employee from the *City F mailroom* and taken to the *City G mailroom*. Similarly, any intra company mail between city "F" and city "E" is picked up by a regular company employee from the *City F mailroom* and taken to the *City HQ mailroom*, where it is sorted, bundled and delivered to the respective HQ(1), HQ(2) or HQ(3) sites as described above under city E's intra company mail distribution.

CITY G

The company occupies several buildings on three main campuses in city G. For the purposes of this discussion the campuses shall be identified as G(1), G(2) and G(3). A regular company employee picks up the mail from the local Post Office and delivers all posted company mail for city "G" to the *City G mailroom*.

Posted Mail Within City G Mail Stream

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Posted mail addressed to G(1), G(2) or G(3) (see Attachment C) is delivered unopened by a regular company employee to the respective location after its initial delivery to the *City G mailroom*.

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Intra Company Mail

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Intra company mail from any city "G" building is picked up and taken to the *City G mailroom* where it is sorted then delivered to their respective building.

Any intra company mail between city "G" and city "F" is picked up by a regular company employee from the *City G mailroom* and taken to the *City F mailroom*. Similarly, any intra company mail between city "G" and city "E" is picked up by a regular company employee from the *City G mailroom* and taken to the *City HQ mailroom* where it is sorted, bundled and delivered to the respective HQ(1), HQ(2) or HQ(3) sites as described above under city E's intra company mail distribution.

Our client proposes to contract with [REDACTED] to take over some of the distribution of its company mail versus all of said distribution being handled by its own regular employees as is currently the case.

For all intra company mail, within each city however, [REDACTED] proposes to pick up, bundle said intra company mail at each building in each city as is currently being done and as described above. However, after being bundled, said intra company, intra city mail would be weighed. Said bundled and weighed mail would then be carried by [REDACTED] to the respective singly designated locations, i.e., HQ(1) for city "E", F(1) for city "F" and G(1)

for city "G". Once delivered, this intra company mail would be sorted, re-bundled by intra city sites and weighed once more by bundle. An accurate and auditable log will be created and maintained (for up to three years) by [REDACTED] of the weights and the applicable first class (including priority mail) postage that would be due for said bundles. [REDACTED]'s handling of the company's intra company mail will be between sites that are less than 50 miles apart and [REDACTED] will be contractually responsible for the delivery of intra company mail within four hours of pick up.

COMPENSATION

[REDACTED] will be paid a fixed management fee for the handling of posted mail, postal efficiency consulting, customer service enhancement, utilization of new mail technology, management and prepayment, with subsequent re-imburement, of client's postage account, acquisition and maintenance of mail equipment including but not limited to mail X-Ray machines, sorters, inserters, new digital postage machines, vehicles and labeling equipment.

Separately, the previously mentioned logs shall form the basis by which [REDACTED] will, on a monthly basis, bill the proposed client at twice the applicable first class postage (including priority mail) or \$3.00 per letter/bundle, whichever is greater, for its carriage of the client's intra company mail. This monthly charge will vary as it will be a function of the weight of the respective bundles carried each month, the frequency of intra mail pick-up and deliveries as well as any additions or deletions to the number of sites or locations served as permitted under the proposed contract.

APPLICABILITY OF THE PES

[REDACTED] is of the opinion that:

(1). In all instances the restrictions of the PES should have no effect on the carriage of posted mail, by virtue of the Carriage prior or subsequent to mailing exception set out at section 310.3(e) and reiterated on page 2 of PES advisory opinion No. 85-7.

(2). Intra company-inter city mail, WILL CONTINUE TO BE CARRIED BY A REGULAR COMPANY EMPLOYEE. As such, even though such letters would be outside of the mail stream, the restrictions of the PES do not apply by virtue of the Letters of the carrier exception set out at section 310.3(b) and also reiterated on page 3 of PES advisory opinion No. 85-7.

(3). Intra company-intra city mail, while outside of the mail stream would not be subject to the restriction of the PES by virtue of the fact that it qualifies under the Postage Value section of the Extremely Urgent Letters exception set out at section 320.6 (443).

████ further believes that its proposed handling of this client's posted and portions of its intra company mail as described above, is in compliance with the PES under the exceptions previously noted. However, to ensure there are no unanswered concerns by the USPS, or █████s client regarding the applicability of the PES, we hereby request an advisory opinion on our proposed actions.

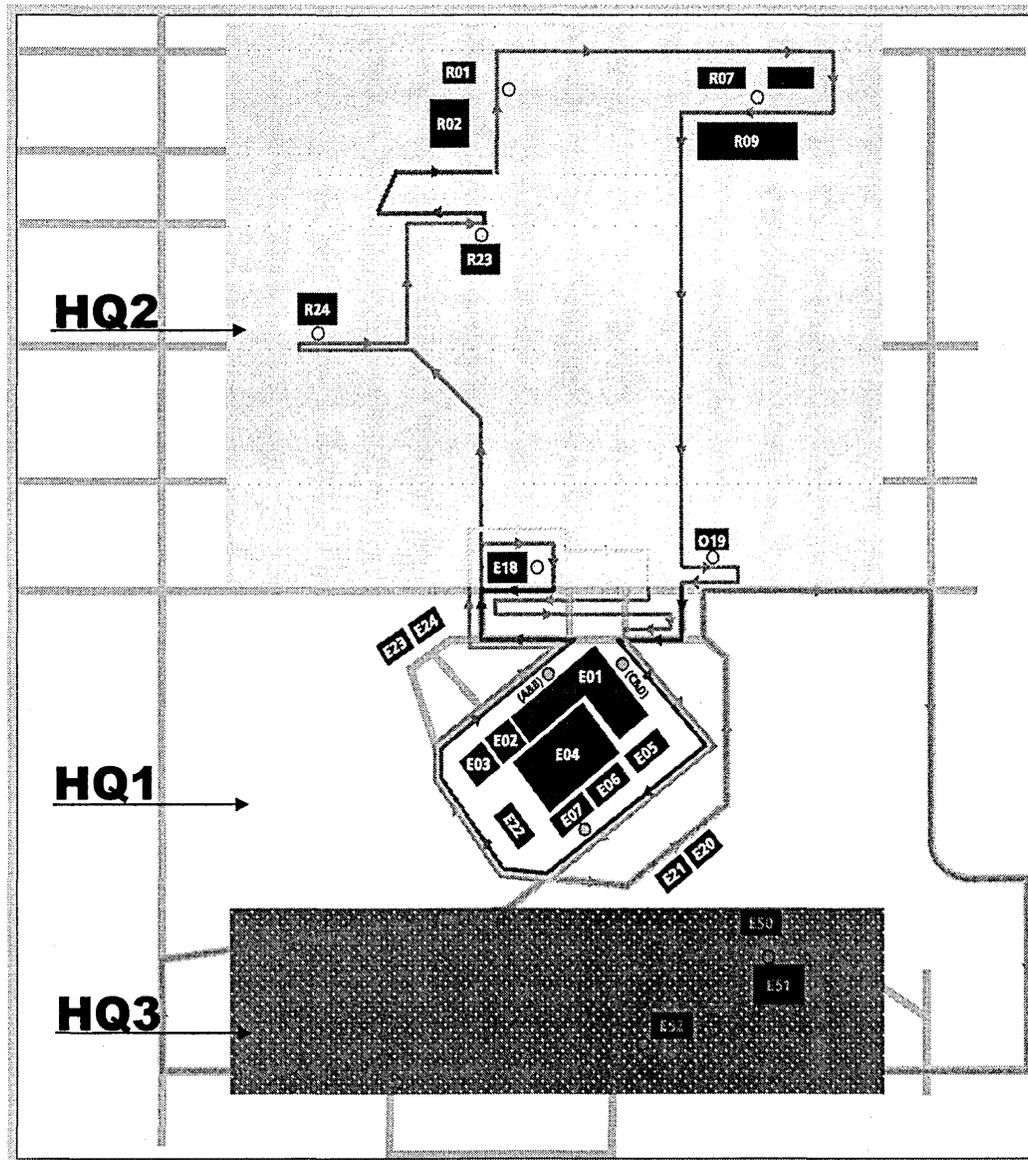
Thank you in advance for your efforts and advise in this matter.

Sincerely,

A large black rectangular redaction box covering the signature area.

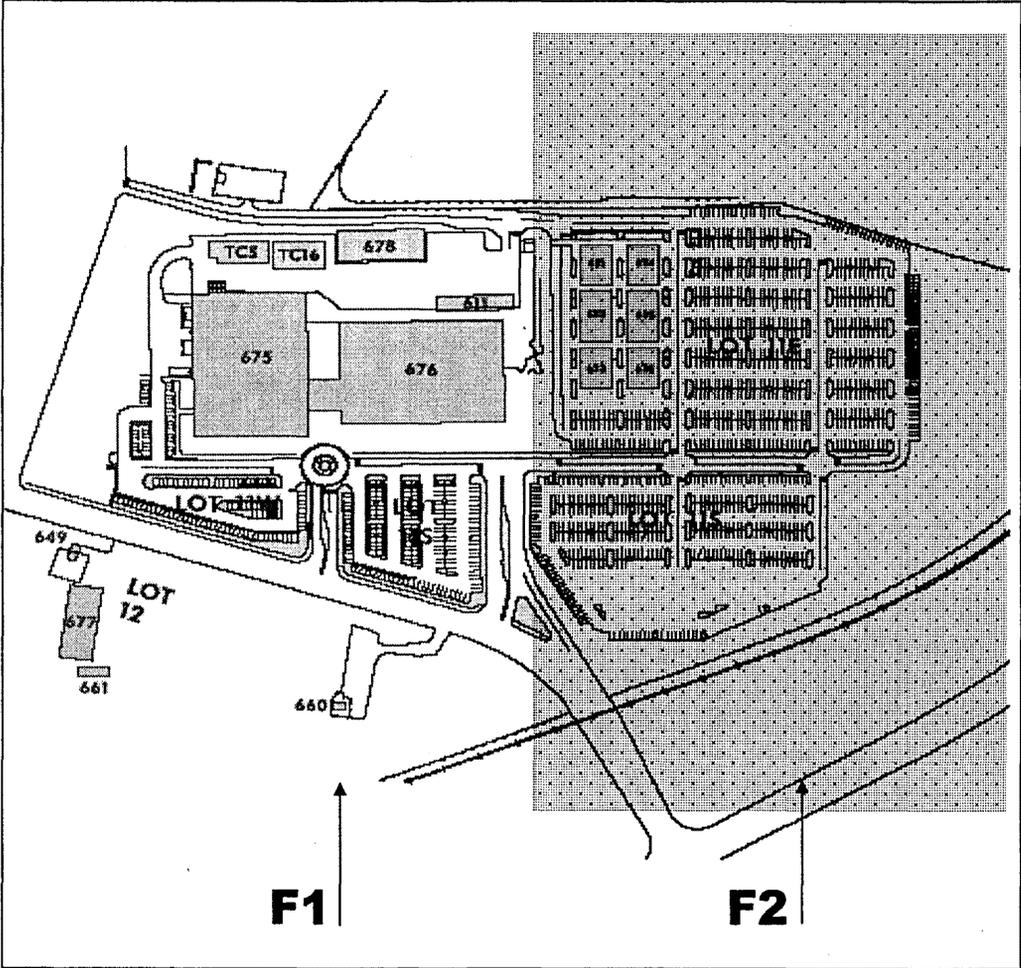
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Attachment A
City E - Site Locations



Attachment B

City F - Site Locations



Attachment C
City G - Site Locations

